

# SENATE BILL 450

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EMERGENCY BILL

0lr2140  
CF HB 476

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By: **Senators Brinkley and Mooney**

Introduced and read first time: February 1, 2010

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 30, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Frederick County – Property Tax Setoff**

3 FOR the purpose of requiring the governing body of Frederick County to grant a  
4 property tax setoff to a municipal corporation in an amount no less than the  
5 amount granted for a certain tax year and in an amount that increases by a  
6 certain percentage under certain circumstances; making this Act an emergency  
7 measure; and generally relating to property tax setoff in Frederick County.

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – Property  
10 Section 6–305  
11 Annotated Code of Maryland  
12 (2007 Replacement Volume and 2009 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Tax – Property**

16 6–305.

17 (a) In this section, “tax setoff” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (1)    the difference between the general county property tax rate and  
2 the property tax rate that is set for assessments of property in a municipal  
3 corporation; or

4           (2)    a payment to a municipal corporation to aid the municipal  
5 corporation in funding services or programs that are similar to county services or  
6 programs.

7           (b)    This section applies only in:

8           (1)    Allegany County;

9           (2)    Anne Arundel County;

10          (3)    Baltimore County;

11          (4)    Frederick County;

12          (5)    Garrett County;

13          (6)    Harford County;

14          (7)    Howard County;

15          (8)    Montgomery County; and

16          (9)    Prince George's County.

17          (c)    The governing body of the county shall meet and discuss with the  
18 governing body of any municipal corporation in the county the county property tax  
19 rate to be set for assessments of property in the municipal corporation as provided in  
20 this section. After the meeting if it can be demonstrated that a municipal corporation  
21 performs services or programs instead of similar county services or programs, the  
22 governing body of the county shall grant a tax setoff to the municipal corporation.

23          (d)    **[In] EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, IN**  
24 determining the county property tax rate to be set for assessments of property in a  
25 municipal corporation, the governing body of the county shall consider:

26               (1)    the services and programs that are performed by the municipal  
27 corporation instead of similar county services and programs; and

28               (2)    the extent that the similar services and programs are funded by  
29 property tax revenues.

30          (e)    The county property tax rate for assessments of property located in a  
31 municipal corporation is not required to be:

1           (1)    the same as the rate for property located in other municipal  
2 corporations in the county; or

3           (2)    the same as the rate set in a prior year.

4           (f)    (1)    At least 180 days before the date that the annual county budget is  
5 required to be approved, any municipal corporation in the county that desires that a  
6 tax setoff be provided shall submit to the county a proposal that states the desired  
7 level of property tax setoff for the next fiscal year.

8           (2)    (i)    A request submitted under paragraph (1) of this subsection  
9 shall be accompanied by:

10                                 1.    a description of the scope and nature of the services or  
11 programs provided by the municipal corporation instead of similar services or  
12 programs provided by the county; and

13                                 2.    financial records and other documentation regarding  
14 municipal revenues and expenditures.

15                                 (ii)   The materials submitted under subparagraph (i) of this  
16 paragraph shall provide sufficient detail for an assessment of the similar services or  
17 programs.

18           (3)    After receiving a proposal from a municipal corporation requesting  
19 a tax setoff under this subsection, the governing body of the county shall promptly  
20 submit to the municipal corporation financial records and other documentation  
21 regarding county revenues and expenditures.

22           (g)    (1)    At least 90 days before the date that the annual county budget is  
23 required to be approved, the county and any municipal corporation submitting a tax  
24 setoff request under subsection (f) of this section shall designate appropriate policy  
25 and fiscal officers or representatives to meet and discuss the nature of the tax setoff  
26 request, relevant financial information of the county and municipal corporation, and  
27 the scope and nature of services provided by both entities.

28                                 (2)   A meeting held under paragraph (1) of this subsection may be held  
29 by the county representatives jointly with representatives from more than one  
30 municipal corporation.

31                                 (3)   (i)    The county officers or representatives may request from the  
32 municipal corporation officers or representatives additional information that may  
33 reasonably be needed to assess the tax setoff.

34                                 (ii)   The municipal corporation officers or representatives shall  
35 provide the additional information expeditiously.

1 (h) (1) At or before the time the proposed county budget is released to the  
2 public, the county commissioners, the county executive of a charter county, or the  
3 county council of a charter county without a county executive shall submit a statement  
4 of intent to each municipal corporation that has requested a tax setoff.

5 (2) The statement of intent shall contain:

6 (i) an explanation of the level of the proposed tax setoff;

7 (ii) a description of the information or process used to determine  
8 the level of the proposed tax setoff; and

9 (iii) an indication that, before the budget is enacted, appropriate  
10 officials or representatives of the municipal corporation are entitled to appear before  
11 the county governing body to discuss or contest the level of the proposed tax setoff.

12 (i) Representatives of each municipal corporation in the county requesting a  
13 tax setoff shall be afforded an opportunity to testify before the county governing body  
14 during normally scheduled hearings on the county's proposed budget.

15 (j) Notwithstanding the provisions of subsections (d), (f), and (g) of this  
16 section:

17 (1) a county and one or more municipal corporations may enter into an  
18 agreement setting different terms or timing for negotiations, calculations, or approval  
19 of a tax setoff; and

20 (2) a county may grant a tax setoff to a municipal corporation that  
21 does not make a request in the fashion described in this section.

22 **(K) IN FREDERICK COUNTY, FOR THE TAXABLE YEAR THAT BEGINS**  
23 **JULY 1, 2011, AND EACH TAXABLE YEAR THEREAFTER, THE GOVERNING BODY**  
24 **OF FREDERICK COUNTY SHALL GRANT A TAX SETOFF TO A MUNICIPAL**  
25 **CORPORATION IN AN AMOUNT THAT:**

26 **(1) IS NO LESS THAN THE TAX SETOFF GRANTED TO THAT**  
27 **MUNICIPAL CORPORATION FOR THE PRECEDING TAXABLE YEAR; AND**

28 **(2) INCREASES BY THE SAME PERCENTAGE BY WHICH THE**  
29 **COUNTY PROPERTY TAX RATE EXCEEDS THE CONSTANT YIELD RATE.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That for the taxable year that  
31 begins July 1, 2010, the governing body of Frederick County shall grant a tax setoff to  
32 a municipal corporation in an amount that is no less than the amount granted to that  
33 municipal corporation for the taxable year that began July 1, 2008, and increases by

1 the same percentage by which the county property tax rate exceeds the constant yield  
2 rate.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
4 measure, is necessary for the immediate preservation of the public health or safety,  
5 has been passed by a yea and nay vote supported by three-fifths of all the members  
6 elected to each of the two Houses of the General Assembly, and shall take effect from  
7 the date it is enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.